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TESTIMONY OF KIM WILSON IN OPPOSITION TO SENATE BILLS 280 AND 281

My firm specializes in representing Montana consumers in court. About a year after the Great Recession, we began to get dozens, and then hundreds, of calls from Montanans who were being mistreated by large national banks as they attempted to modify loans through programs authorized by Congress during the recession. Most national banks received billions of dollars in taxpayer dollars to help distressed homeowners. Unfortunately, instead, the national banks took advantage of Montana consumers and tried to extract unnecessary fees, or actually foreclose on their property, even while the consumers were trying to make payments and remain in their homes. We litigated the *Morrow* case and won at the Montana Supreme Court. (*Morrow v. Bank of America*, 2014 MT 117)

SB 280 and 281 appear to be a reaction to *Morrow*, intended to limit, rather than protect, the rights of Montana homeowners who have been mis-treated by the national banks and national loan servicers.

SB 280

This bill would prevent Montana homeowners from bringing any action in tort against a bank for lying to them about any aspect of their loan or their obligations under the loan. It directly overturns the decision in *Morrow*, which was based on decades of Montana Supreme Court decisions. This bill will harm every day Montanans while benefiting out-of-state national banks. The Committee should reject this bill.

SB 281

This bill exempts large banks ("regulated lenders") from complying with the Montana Consumer Protection Act. It also severely limits the types of damages that consumers can collect under the Act. This bill, like SB 280, is nothing more than an attempt to shield large, out of state banks from liability for their wrongdoing and allow them to continue to lie to Montana consumers with impunity. It is contrary to Article XIII, Sec. 1 of the Montana Constitution which requires the Legislature to protect Montanans against harmful and unfair practices of foreign corporations. The Committee should reject this bill.